Arizona State University
Office of University Audits
Undergraduate Admissions
July 10, 2020
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Summary: The Admissions audit was included in the Arizona State University (ASU) FY 2020 audit plan approved by the Arizona Board of Regents (ABOR) Audit Committee and ASU senior leadership. The audit focused on the design and effectiveness of administrative, operational, and financial controls related to the undergraduate admissions function. This audit is in support of ASU’s mission of student success.

Background: The mission of Arizona State University with respect to admissions is focused on accessibility and inclusion. Specifically, the goals of the university include maintaining the fundamental principle of accessibility to all students qualified to study at a research university and maintaining university accessibility to match Arizona’s socioeconomic diversity.

Admission Services has a significant role in achieving those goals by managing the admissions of First-Year Freshman, Transfer, International and Graduate applicants to Arizona State University. As reported in the annual Operational and Financial Reviews, First-Year applicants numbered almost 55,000 for both fall 2018 and 2019. Admission Services consists of nine functional units including four units focused on recruitment, one for applicant services processing, one for outreach and retention, and three focused on business and information systems activities. In addition, Admission Services contracted with a third party, Kaplan International Pathways North America LLC (Kaplan International), in 2018 to recruit international students for the university.

The admission requirements are established by both the Arizona Board of Regents and ASU. ABOR Policy 2-120 specifies that the Board will establish minimum undergraduate admission requirements to the three public universities in Arizona, and that the universities will establish requirements for undergraduate international students and admission to graduate programs. ABOR Policy 2-121 delineates the undergraduate requirements for assured and delegated admission for resident and non-resident Freshman and resident Transfer Applicants, and delegated admission for non-resident Transfer Applicants. ABOR policy also provides for special admission considerations and types, including allowing the universities to admit students that do not fully meet the defined requirements not to exceed 10% of the total admitted student for the term.

Under ABOR policy, the undergraduate admission requirements generally consist of two measurement components, aptitude (GPA or Class Rank) and core competencies (16 high school credits in the academic subjects of English, Math, Lab Science, Social Science, Second Language, and Fine Arts). Under ASU requirements, international students are generally evaluated on GPA, 7 core competencies (high school credits in Math and Lab Science) and English proficiency.
Applicants may apply for admission to the university through the ASU admission application or through the Common Application, a third party vendor, before or after graduating for First-Year Freshmen or at any college level for Transfers, which effect the admission criteria and the method used for the evaluation. First-Year Freshmen that apply before they graduate are evaluated from their in progress transcript with credit given for the 12th grade courses. Additionally, domestic First-Year Freshmen may apply using a self-reporting process, whereby they report their class rank, and courses and grades through the application and submit only their final transcript after graduation. Transfers are evaluated on the GPA for their transferrable college or university credits post-high school, and if have only 12-23 credits, must also meet the aptitude requirements for First-Year Freshmen.

Admission Services has implemented processes to automate the admission decision through PeopleSoft utilizing programmed calculations and scripts. Additionally, an individual review process has been established whereby students who meet lower admission criteria are evaluated by the Associate Vice President for Enrollment Services or the Deans for exception admission. Students may also appeal denied admission decisions through a three member Appeal Committee.

**Audit Objective:** The objectives of the audit focused on assessing controls around the administrative, operational, and financial functions related to undergraduate admissions. Specifically, the following areas were assessed:

- Verify the undergraduate admission requirements of ASU are in accordance with the requirements of ABOR Policies
- Ensure undergraduate applicants are properly evaluated as First-Time Freshmen or Transfers (domestic and international) and any exceptions have appropriate approval
- Ensure privileged PeopleSoft access utilized in the admission process and workflow is appropriately restricted
- Ensure the staff of Admission Services have appropriate background and fingerprinting checks
- Ensure appropriate fiscal controls are in place for the revenue share payments to Kaplan International related to international recruiting services
- Assess the fiscal controls for the collection of application fees
- Identify opportunities for improvement
Scope: The scope of the audit focused on undergraduate admissions of First-Year Freshman and Transfer applicants for the academic years 2018-19 and 2019-20.

Application control testing related to applications utilized in the undergraduate admission process was performed as part of the FY2020 ITGC Enrollment Services audit issued in February 2020. As such, additional application testing was not performed as part of this review.

In assessing the change management process for updates/changes to PeopleSoft, it was determined that while updates/changes are documented through tickets in JIRA, there has not been a methodology for categorizing the tickets. As a result, the applicable tickets could not be identified and the updates/changes could not be tested.

Methodology: Our audit consisted of tests of procedures necessary to provide a reasonable basis for expressing our opinion. Specifically, audit work consisted of interviews with the leadership and staff of Admission Services, review of ABOR Policies and ASU admission requirements, observation of work processes, review of documented policies and procedures and substantive tests including the following areas:

- Verified ASU undergraduate admission requirements aligned with ABOR Policies for assured and delegated admission of resident and non-resident Freshman and Transfer applicants

- Selected a sample of 109 self-reporting First-Time Freshman applicants across different student types (domestic, student-athletes, and admissions processed manually by evaluators) and status (admitted, admitted and enrolled, denied) and assessed the appropriateness of the admission decision by performing the following procedures:
  - Reviewed the applicant records in PeopleSoft and verified the accuracy of the core competency courses, overall GPA and class rank from the official transcripts where possible
  - For enrolled students, confirmed that final transcripts were received and verified overall GPA and class rank were updated in PeopleSoft
  - For enrolled students who had an overall GPA of .20 under their self-reported GPA, verified that the re-evaluation was performed and approved
  - For students admitted with in progress courses, recomputed GPA and core competencies from final transcript
• Selected a sample of 125 non self-reporting First-Time Freshman applicants across different student groups (domestic, student-athletes, international, and admissions processed manually by evaluators) and status (admitted, admitted and enrolled, denied) and assessed the appropriateness of the admission decision by performing the following procedures:
  
  o Reviewed the applicant records in PeopleSoft and verified the accuracy of the core competency courses, overall GPA and class rank from the official transcripts where possible
  
  o For enrolled students, confirmed that final transcripts were received
  
  o For international students, verified English proficiency requirements were met
  
  o For students admitted with in progress courses, recomputed GPA and core competencies from final transcript

• Selected a sample of 112 Transfer applicants across different student groups (domestic, student-athletes, international, and admissions processed manually by evaluators) and assessed the appropriateness of the admission decision by performing the following procedures:
  
  o Reviewed the applicant records in PeopleSoft and compared to the transferrable college or university courses from the official transcripts for reasonableness where possible
  
  o For students with 12-23 transferrable college or university credits, assessed whether students met aptitude requirements for First-Year Freshmen from high school transcript
  
  o For international students, verified English proficiency requirements were met
  
  o For select students, recomputed the transferrable GPA and aptitude for where applicable from transcript

• Selected a sample of 15 students admitted from the Earned Admission program and confirmed the courses and GPA from the ASU transcript

• Selected a sample of 35 students admitted as exceptions (individual review by Associate Vice President, Deans or Appeal Committee) and verified documentation of the review and approval
• Completed specific analytics of the admission master list for fall 2018

• Validated privileged PeopleSoft logical access utilized in the admission process and workflow through the following procedures:
  o Performed a high-level access review based on job title and department and if applicable, confirming FERPA training requirements were met
  o Assessed whether periodic access reviews are performed by the data steward assigned to the specific PeopleSoft roles

• Verified fingerprinting checks were performed for 61 recruitment staff that interact with minors

• Verified background checks were performed for 91 student workers (all active student workers for Admission Services at time of testing)

• Reviewed the revenue share payments to Kaplan International for the spring, summer and fall 2019 semesters for appropriateness and accuracy:
  o Verified the tuition and fees used for the payments and program categorization of the students were based on the contract terms
  o Compared the calculations to the contract terms
  o Traced select students from the payment schedule for fall 2019 to admission records

• Traced application fees collected in September 2019 from vendor reports to Workday and reviewed the student detail for appropriateness

Conclusion: Overall, Admission Services has implemented effective and efficient processes and controls to ensure undergraduate applicants are consistently and properly evaluated based on ASU’s admission requirements. The office has developed thorough processes for collecting applicant data from the applications and transcripts, matching and entering the data in the systems, reviewing and assigning courses to core competencies and calculating GPA where applicable for evaluation. Outstanding items are tracked through a checklist in the system that is viewable to the applicants. Customized automation has been built into PeopleSoft to evaluate applicants based on the defined criteria when all required information and supporting documentation has been received and processed. The staffing structure provides defined roles for entering data, communicating with students, evaluating credentials, and appropriate management
There is also dedicated technology staff to manage the complex PeopleSoft customization related to the automated admission decision processes.

While consistent processes have been implemented and are generally being followed, certain processes do not align with existing ABOR admission requirements. Specifically, most transfer applicants are not assessed for core competencies and alternative admission criteria have been implemented, which is allowed by ABOR Policy 2-121, without processes to ensure the applicants meet the requirements associated with using alternative criteria. Admission Services also has not implemented tracking to ensure students admitted under the alternative criteria represent less than 10% of the students admitted for the term as required by policy. Further enhancement is also required to ensure verification controls are performed consistently for students admitted through self-reporting or utilizing in progress coursework. In addition, improved documentation is recommended related to exception admissions including formalized approval and justification why the student was admitted.

It was also noted that the student workers of Admission Services are not required to go through the background checks even though they have access to sensitive information that warrants a check to be performed.

The control standards University Audit considered during this audit and the status of the related control environment are provided in the following table.

<table>
<thead>
<tr>
<th>General Control Standard</th>
<th>Control Environment</th>
<th>Finding No.</th>
<th>Page No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reliability and Integrity of Financial and Operational Information</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Revenue share payments to Kaplan International for international recruiting services are accurate and in accordance with the terms of the contract.</td>
<td>Opportunity for Improvement</td>
<td>6</td>
<td>16</td>
</tr>
<tr>
<td>• Application fees are tracked and reconciled with the Workday in a timely and accurate manner.</td>
<td>Reasonable to Strong Controls in Place</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Effectiveness and Efficiency of Operations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• First-Time Freshman applicants (domestic and international) are accurately evaluated according to undergraduate admission requirements and appropriately admitted or denied.</td>
<td>Reasonable to Strong Controls in Place</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>• Final verification controls of students admitted through self-reporting or in-progress coursework are performed to ensure applicants were</td>
<td>Opportunity for Improvement</td>
<td>4</td>
<td>13</td>
</tr>
</tbody>
</table>
appropriately admitted or denied.

- Transfer applicants (domestic and international) are accurately evaluated according to undergraduate admission requirements and appropriately admitted or denied.
  
  Opportunity for Improvement 1 9

- Students admitted through exception processes are properly reviewed and approved.
  
  Opportunity for Improvement 5 15

<table>
<thead>
<tr>
<th>Safeguarding of Assets</th>
<th>Reasonable to Strong Controls in Place</th>
<th>N/A</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Logical access to PeopleSoft is appropriately restricted.</td>
<td>Reasonable to Strong Controls in Place</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>• Fingerprinting checks are performed for applicable staff of Admission Services.</td>
<td>Reasonable to Strong Controls in Place</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>• Background checks are performed for applicable student workers of Admission Services.</td>
<td>Opportunity for Improvement 3 12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• FERPA training is completed by Admission Services employees.</td>
<td>Reasonable to Strong Controls in Place</td>
<td>N/A</td>
<td>N/A</td>
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</table>

<table>
<thead>
<tr>
<th>Compliance with Laws and Regulations</th>
<th>Reasonable to Strong Controls in Place</th>
<th>N/A</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The undergraduate admission requirements of ASU are accurately calculated and align with ABOR Policies for Freshman and Transfer applicants.</td>
<td>Opportunity for Improvement 1 9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Students admitted through alternative criteria meet the requirements of ABOR policy and are tracked to ensure the count is within the 10% limit.</td>
<td>Opportunity for Improvement 2 11</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

We appreciate the assistance of the staff of Admission Services during the audit.

Lisa Grace, Executive Director, University Audit and Advisory Services
Sadie Petterson, Assistant Director, University Audit and Advisory Services
Audit Results, Recommendations, and Responses

1. Isolated coding errors and certain processes were identified that do not align with ABOR admission requirements.

Condition: Two instances of coding errors in the automated PeopleSoft decision process utilized for admissions were identified in testing that were not compliant with defined ABOR admission criteria. The errors relate to the assessment of core competencies as required by ABOR policies:

- Students with a deficiency in their high school courses may meet the core competency for some subjects with minimum ACT/SAT scores in the subject. The minimum SAT score for Math was 560 at the start of the audit and had not been updated for two iterations of changes to the ABOR policy. Admission Services updated the score immediately upon us communicating the error.

- Students are allowed two deficiencies but the deficiencies cannot be in the same core competency subject. The completion of only one semester in a Second Language was calculating as one deficiency instead of two deficiencies in the same subject. Admission Services corrected the calculation immediately upon us communicating the error.

- Based on the current process implemented by Admission Services, core competencies are not evaluated for deficiencies as part of the automated evaluation for Transfer applicants although required by ABOR Policy 2-121. Core competencies are assessed for Transfers that require an individual review.

Criteria: ABOR has established specific criteria related to 16 academic coursework competency requirements for assured and delegated admission of both Freshman and Transfer applicants in Policies 2-121 A. and B., respectively.

- Policy 2-121 C. allows for minimum ACT/SAT scores to meet the core competencies for some subjects. In May 2019, the policy increased the minimum SAT score for Math from 570 to 580. The score had been increased previously in November 2016 from 560 to 570.

- Policy 2-121 C. requires applicants to demonstrate competency in a Second Language by completing two high school credits/years in the same Second Language.

- Policy 2-121 B.1.b. and 2.a. specify the delegated admission requirements for Resident and Non-Resident Transfer applicants. According to the policy, each
university may use its discretion in admitting resident applicants who do not meet the assured admission provided that the applicants have no more than 2 deficiencies, not in the same subject area or in Math and Lab Science, and meet one additional criteria specified in policy.

**Cause:** For both of the coding errors identified, the errors were isolated. Specifically, processes are in place for Admission Services to be aware of policy changes made by ABOR; however, appropriate notification to the unit managing the system configuration for the PeopleSoft automated processes was not performed. In the instance of the logic error related to the foreign language competency requirement, the calculation error was not detected as part of the overall testing validation performed in implementing the automated calculations.

**Effect:** The coding errors have resulted in students who do not meet the admission requirements of ABOR Policies being admitted to the university.

- Testing identified two instances in which students were admitted because the lower SAT score was used to meet their core deficiency in math. In both of these instances, the student would have had more than two deficiencies or a deficiency in both math and lab science, which is not permitted by ABOR policy. While these instances were identified, analysis supported that this item overall is a low risk item.

- Admission Services performed additional analysis related to the foreign language competency error and determined that 1,437 students were admitted with only one high school semester (two deficiencies) in a Second Language during the terms reviewed. Based on ABOR policy requirements, students cannot have two deficiencies in the same subject error.

  Based on discussions with Admissions Services, they treat a student with one semester of foreign language as having 1.5 deficiencies in foreign language, which should trigger the student to be evaluated through the defined manual evaluation process; however, they would not consider the student to have 2 deficiencies in the same subject when this occurs. As a result of the coding error, these students would not have been flagged for manual review for this purpose.

- We were unable to quantify the impact of core competencies not being evaluated for Transfer applicants due to courses not being consistently entered into PeopleSoft for Transfers under the current process.
Recommendation: The minimum SAT score for Math, and deficiency measurement for Second Language were addressed by Admission Services immediately upon us communicating the errors.

Admission Services should revise the current process including necessary changes to the automated PeopleSoft determination to include assessing core competencies for Transfer applicants to comply with existing ABOR policy.

In addition, further clarification with ABOR should be performed to validate the approach of awarding partial competency credit when evaluating core competencies. Policy defines a credit as one year of study.

Management Response:

The processes to correct the identified errors have been updated and corrected for all but one finding—coding of course competencies for transfers that require this coding per policy. A project is underway to make systems changes that will correct the final coding errors and Admission Services projects this outstanding process update will be completed by Aug 1, 2020.

2. Admission Services does not track students admitted through alternative criteria, and processes to ensure students admitted in this manner are less than 10% of the total admitted students for the term have not been implemented. In addition, processes are not in place to ensure students admitted in this manner meet one of the two defined criteria of ABOR policy.

Condition: ASU has implemented alternative admission criteria and processes that do not align with the assured and delegated admission requirements under ABOR Policies. Policy allows students who do not meet the assured or delegated requirements to be admitted; however, ASU does not track the number of students admitted in this manner to ensure the number admitted are within the maximum allowed. The alternative admission criteria and processes include the following:

- Minimum ACT and SAT composite scores have been implemented as separate acceptance criteria to meet aptitude requirements. Under ABOR Policies, only GPA and class rank are specified as criteria to demonstrate aptitude.

- An alternative online program (Earned Admission) has been established whereby students are admitted after completing a minimum number of credit hours with a minimum GPA through ASU. Students from the program are admitted as
transfers but credit hours outside of ASU are not taken into consideration in admission calculations, and the program is available to any applicant. When this criteria is applied to students under the age of 22 who do not otherwise meet the admission requirements, the admittance would be considered part of the alternative criteria admittance subject to the 10% limit.

- Minimum GPA acceptance criteria that was lower than the delegated admission requirements under ABOR Policies was used for admission to the Online program. The criterion was discontinued in October 2019.

**Criteria:** As stated in ABOR Policy 2-121 D.6. the universities are permitted to use discretion to admit students that do not meet defined assured or delegated criteria; however, these admissions are limited to 10% of the total students admitted for the term. Additionally, students must have a core high school grade point average of at least 2.0, and upward grade trends during high school in academic courses such as Mathematics, English, Social Science, Science or Second Languages, OR positive written recommendations from professional individuals who are personally familiar with their academic potential as demonstrated by work experience leadership ability or extracurricular activities.

**Cause:** Admission Services has not deemed it necessary to track the students admitted under the alternative admission criteria and processes. This criteria is built into the automated evaluation process performed through PeopleSoft and the method of meeting aptitude criteria is not captured as part of the program.

**Effect:** Admission Services is not able to determine if they comply with the 10% limit of such admissions nor are they able to confirm that additional criteria is satisfied since existing processes do not include verifying the student met one of the defined criteria.

**Recommendation:** Admission Services should develop a method to identify the students admitted through the alternative criteria and should monitor the admission counts for each semester to ensure counts do not exceed 10% of overall admissions. These processes should include updating a field on the admissions record to indicate what criteria was utilized for the admission decision. Additionally, processes are also necessary to verify that students admitted through this alternative process meet one of the two defined criteria associated with this admission path as defined in ABOR Policy 2-121 D.6.

**Management Response:**

Enrollment Services will formalize existing reporting and dashboards that will be monitored weekly to ensure adherence to ABOR policy immediately. Additionally, existing
processes will be modified to ensure students admitted through this process meet one of the two defined criteria.

3. Admission Services has not implemented processes to require background checks for student workers with access to sensitive information utilized in the admissions process and related systems.

Condition: Admission Services does not require student workers involved in the admissions processes to go through a background check.

Criteria: ASU Policy ACD 126 does not require background checks to be performed for all student workers; instead, the policy generally defers to the hiring department to determine if the student worker will have access to systems or data that warrant a background check to be required. Student workers supporting the admissions function have access to sensitive information including applicant personal information, transcripts, test scores, and social security numbers. As such, background checks at a minimum should be performed.

Cause: Admission Services made the decision to not require background checks for student workers due to their more limited access; however, had not considered the complete body of information the roles still have access to.

Effect: Testing indicated that 85 of 91 (93%) active student workers in Admission Services have not had background checks.

Recommendation: Admission Services should implement procedures to complete background checks for student workers with access to sensitive information. As part of implementation, all existing active student workers should also complete a background check.

Management Response:

These processes will be implemented by the closing of this report.

4. Final verification controls related to Freshman applicants require improvement to ensure appropriate validation occurs to support the student’s admission and final supporting documentation is received by the applicant.

Condition: Admission Services has designed controls for evaluating Freshman applicants for admission who apply under different processes and before and after
graduation; however, procedures for evaluating final transcripts are not followed consistently and the controls do not take into consideration specific criteria of the admission requirements such as the class rank or in progress classes needed to meet core competencies.

Criteria: Admission Services has implemented the following processes and controls for Freshman applicants:

- Both domestic and international applicants may apply and be admitted before the 12th grade courses are completed by submitting their in progress transcript(s). The final transcript must be submitted within one semester of enrolling at the university.

- Domestic applicants may apply and be admitted using a self-reporting process, whereby the student self-reports their courses and grades, which are used for calculating GPA, and their class rank, rather than submitting their in progress transcript(s). The final transcript must be submitted within one semester of enrolling at the university. To verify final courses and grades, Admission Services completes re-evaluations from final transcripts for students meeting specific criteria including:
  - Students whose overall GPA from the final transcript is .20 less than the self-reported GPA
  - Students admitted to specific programs with higher admission requirements
  - Students who are Obama scholarship eligible

Cause: The existing validation process has been implemented to scale the existing processes in an efficient manner given the volume of applicants; however, processes are not consistently followed to ensure verification occurs. It was also noted that there are no validation efforts related to self-reported class rank or to re-evaluate in progress classes needed to meet core competencies.

Effect: Testing indicated that final transcripts are not always received within one semester as required, and existing processes are not effective at identifying when this does not occur timely. In addition, the overall GPA and class rank are not consistently updated based on the final transcript for self-reporting students. Specifically, there were 12 instances (7%) where the final transcript was still outstanding past the first semester. In these instances, students had not been flagged to stop registration based on the defined process. In addition, 10 of 72 (14%) self-reported selections had not been updated with the overall GPA or class rank. When this occurs, students are not subject to the validation of final GPAs being within .20 of the self-reported GPA. Testing also indicated one instance where the student inaccurately reported their class rank resulting
in the student being admitted although aptitude requirements had not been met. There is currently no control in place to identify if this occurs.

Additionally, testing identified five instances where students were admitted based on in-progress classes that were not successfully completed. As a result, the students were admitted through the standard automated process even though they would not have meet the aptitude or core competency requirements based on their final transcripts.

**Recommendation:** Admission Services should strengthen the admission verification controls by:

1. Formalizing processes for obtaining the final transcript from enrolled students to facilitate the re-evaluations performed for self-reporting students.

2. Improving processes, including additional training as necessary, to ensure the GPA and class rank are updated from the final transcript to ensure the re-evaluations performed for self-reporting students are based on final courses and grades.

3. Incorporating a risk-based approach for both self-reporting and non self-reporting students to verifying admission requirements for those students that are at most risk of not meeting requirements based on their preliminary evaluation including those with one or more deficiency or that are close to the minimum GPA required.

Admission Services communicated during the audit that they were in the process of implementing changes to the way class rank information is collected in the application to minimize the risk of applicants incorrectly reporting this information.

**Management Response:**

Admission Services is aware of this matter and has sponsored a larger University project to review the current validation processes. The current validation procedures work appropriately for a majority of cases however there are known gaps that are being addressed. Project completion is expected by Aug 1, 2020.

### 5. The processes governing admission exceptions require improvement to ensure the admission decisions have appropriate approval and documentation.

**Condition:** Students who do not meet the defined admission criteria (including the alternative criteria utilized) may be further reviewed to assess the students' potential for success at ASU. These are reviewed by the Associate Vice President of Enrollment
Services and if approved, are admitted through a defined exception process. In addition, students who were initially admitted based on in-progress credentials but are subsequently re-evaluated and determined that they do not meet the admission criteria may be reviewed and approved through a similar exception process. While the exception process has been defined, adequate documentation of the review, including the basis for admission, is not maintained.

Criteria: Students who do not meet the admission requirements should be reviewed and approved by the appropriate level of management, and the approvals should be consistently obtained and evidenced through documentation.

Cause: Documentation of the exceptions and approvals have been informal and not consistently maintained nor have they included adequate detail on what was considered in the admission decision. Re-evaluated students have not been sent for approval when required because of evaluator error or lack of following the defined process.

Effect: The vast majority of the exception approvals are approved only by the Associate Vice President with documentation consisting only of the approved decision (“approved” on a manual excel file). Exceptions that are reviewed by the Appeals Committee lack formal documentation supporting that they were reviewed by the committee and in 2 of the 10 (20%) appeals reviewed, the documentation lacked the initials of the Associate Vice President.

For re-evaluated students, documentation previously consisted of an email sent by the evaluator to the Associate Vice President (a form has recently been developed/implemented); however, testing identified five instances in which the re-evaluation was not sent for approval, and one instance where the approval was presumed to be verbal as documentation could not be located.

Recommendation: Admission Services should formalize the documentation of approvals for students admitted through the exception process including denoting who approved and what was considered. Additionally, Admission Services should strengthen the re-evaluation process and improve training of evaluators to ensure that re-evaluated students are sent for approval when required. Supervisors should track the re-evaluations to ensure they are sent to the Associate Vice President and the continued admission decision is documented.

Counts of students admitted through the exception process should also be incorporated into the overall tracking of students admitted outside of the defined admission requirements to ensure the 10% limit is not exceeded.
Management Response:

Documentation of these exceptions has been formalized and was implemented in May 2020. This implementation includes the creation of formal electronic tracking systems as well as processes that have many of the written decisions attached to a student’s record in PeopleSoft. In addition, procedures are being implemented to track and evaluate students admitted through exception are being followed to ensure the 10% limit is not exceeded and the additional criteria is met.

6. Controls are not adequate to ensure that revenue share payments to Kaplan International are calculated correctly.

Condition: Kaplan International was overpaid in revenue share payments due to errors in the calculations related to the inclusion of program fees and incorrect categorization of students for the spring, summer and fall semesters of 2019.

Criteria: Admission Services contracted with Kaplan International in August 2018 for recruiting services of international applicants. The revenue share payments are specified in the contract and are made for nine categories based on different student types and university programs, and calculated on tuition with and without program fees and at different percentages.

Cause: The errors noted were attributed to the contract being new and effective review procedures not being implemented to ensure the calculation was accurate. The majority of the calculation errors were in the revenue share payment for spring 2019, which was the first semester under the contract.

Effect: Testing identified errors in the calculations of 38 of 70 (54%) students in the schedule for spring, one error in the schedule for summer, and three errors in the schedule for fall. The total overpayment for the three terms was $6,573.70.

Recommendation: Admission Services should recover the overpayment from Kaplan International and strengthen the procedures for preparing the schedules for the revenue share payments. The schedules should be reviewed to ensure they are in accordance with the terms of the contract before the payment is made.

Management Response:

Admission Services has put appropriate controls in place since this audit finding. The University has also simplified the tuition bill which has also assisted in reducing errors.
Distribution:

Arizona Board of Regents Audit Committee
Michael M. Crow, President
Morgan R. Olsen, Executive Vice President, Treasurer and Chief Financial Officer
Mark Searle, Executive Vice President and University Provost
Kent Hopkins, Vice President, Enrollment Services
Matt Lopez, Associate Vice President, Enrollment Services
Internal Audit Review Board
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